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DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION

Draft resolution submitted by the Vice-Chairman of the Committee, Miss Maymouna Diop (Senegal), on the basis of informal consultations held on draft resolution A/C.2/47/L.10

Net transfer of resources between developing countries and developed countries

The General Assembly,

Reaffirming its resolutions S-18/3 of 1 May 1990, containing the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, and 45/199 of 21 December 1990, containing the International Development Strategy for the Fourth United Nations Development Decade,

Recalling its resolutions 44/232 of 22 December 1989 on trends in the transfer of resources to and from the developing countries and their impact on the economic growth and sustained development of those countries and 45/192 of 21 December 1990 on the net transfer of resources between developing countries and developed countries, and Economic and Social Council resolutions 1989/112 of 28 July 1989 and 1990/56 of 26 July 1990,

Recalling also its resolution 43/197 of 20 December 1988 and Agenda 21, adopted by the United Nations Conference on Environment and Development at Rio de Janeiro in June 1992, which address the fulfilment of the internationally agreed commitment for official development assistance, 1/

1/ See A/CONF.151/26 (vol. I), annex II.

Taking note of the World Economic Survey, 1992, 2/ in particular chapter IV, entitled "Saving, investment and the international transfer of resources", and the report of the Secretary-General on the net transfer of resources between developing and developed countries, 3/

Recognizing that the international community has a responsibility to give strong support to the efforts of the developing countries to solve their grave economic and social problems through the creation of a favourable international economic environment,

Noting the fact that the net transfer of resources to the developing countries has been positive for the past two years and that its future course depends on a supportive international economic environment and domestic efforts,

Concerned about the insufficiency of resources of most developing countries over the past decade, in particular their inadequacies of savings and investment, which leaves the developing countries with serious shortfalls in financial resources for development,

Taking note of the successful outcome of the eighth session of the United Nations Conference on Trade and Development and the spirit of multilateralism that permeated the Conference, as reflected in its final document "A New Partnership for Development: The Cartagena Commitment", 4/

Bearing in mind that the major industrialized countries, which have significant weight in influencing world economic growth and the international economic environment, should continue their efforts to promote sustained growth and to narrow imbalances so as to enhance the ability of the developing countries to address and alleviate their major problems in the areas of money, finance, resource flows, trade, commodities and external indebtedness,

Noting the call by the Group of Seven major industrial countries at the Munich Economic Summit to carry out a full examination of the options available for the subsequent period of the Enhanced Structural Adjustment Facility of the International Monetary Fund, including the renewal of the Facility, 5/

2/ United Nations publication, Sales No. E.92.II.C.1 and corrigenda.

3/ A/47/404.

4/ TD/364, part one, sect. A.

5/ See A/47/375-S/24429, annex I.

1. Stresses the need to enhance international efforts to ensure adequate resources for the reactivation of economic growth and sustainable development in the developing countries, taking into account the following recommendations:

(a) That the developed countries consider increasing financial flows to assist the developing countries in their diversification and structural adjustment efforts through, inter alia, an expansion of multilateral credits, promoting foreign direct investment, and increasing concessional and non-debt resources;

(b) That, where appropriate, national economic measures should be taken by the developing countries with insufficient savings and flow of external resources, that are conducive to capital formation, including increasing domestic savings and raising investment, and human resources development;

(c) That Governments of the developed countries and other countries in a position to do so, promote an adequate flow of resources to the developing countries; that the developed countries that have reaffirmed their commitments to reach the accepted United Nations target of 0.7 per cent of gross national product for official development assistance and, to the extent that they have not yet achieved that target, agree to augment their aid programmes in order to reach that target as soon as possible; some countries have agreed to reach the target by the year 2000; other developed countries, in line with their support for reform efforts in the developing countries agree to make their best effort to increase their level of official development assistance;

(d) That the developed countries expedite negotiations towards the realization of the Tenth Replenishment of the International Development Association;

(e) That since, in a large number of developing countries, the burden of debt and debt service constitutes a major obstacle to the revitalization of growth and development, there is a need for further progress towards the solution of the external debt problems of those countries;

(f) That Governments work towards a more open, free, equitable and disciplined international trading system that improves access to all markets, for the exports of the developing countries so as to ensure an increase in their export earnings and, in this connection, the urgent need for a balanced and successful outcome of the Uruguay Round of multilateral trade negotiations should be stressed;

(g) That producers and consumers of individual commodities continue to explore ways and means of reinforcing their cooperation and consider actively participating in international commodity agreements and arrangements that take into account market trends in order to achieve more efficient international commodity cooperation;

(h) That all Governments, particularly those of the developed countries, cooperate more closely to achieve a higher degree of stability in financial markets, reduce the risk of financial crisis such as high volatility in exchange rates and help to promote an international financial system more conducive to stable economic growth;

(i) That appropriate measures be undertaken by all Governments, particularly those of the developed countries, to create an international economic environment, to stabilize and lower real interest rates and to reduce uncertainties of financial flows;

(j) That all Governments, particularly those of the developed countries, strive to enhance the effectiveness of multilateral surveillance aimed at correcting existing external and fiscal imbalances so as to expand multilateral trade and foreign investment, particularly to the developing countries;

2. Requests the Secretary-General to continue to monitor developments in the net transfer of resources between developing and developed countries and utilize all relevant reports such as those provided by the World Bank, the International Monetary Fund and the regional banks, and to report thereon in the World Economic Survey, 1993; and further requests the Secretary-General to report to the General Assembly at its forty-ninth session on the implementation of the present resolution.